

Update 2013



April 11, 2013

IWM Finance Planning Framework

Summary of Comments to Date

- Define future State government role in IWM; if not administering G.O. bonds
- Clarify how State government investment prioritization will occur
- Emphasize historical role of local government in planning, investment, and management of IWM
- Acknowledge importance of guiding principles for framing State water finance – particularly beneficiary pays

IWM Finance Planning Framework

Summary of Comments to Date

- Consider deferring the finance objective and related actions to future Update
- Revise phrasing around Proposition 218
- Concerns regarding public goods charge/statewide fee
- Acknowledge role of future G.O. Bonds

Update 2013

Finance Planning Framework

- Purpose of Update 2013 [Strategic] Finance Planning effort:
 - Create a common and comprehensive understanding of current [finance] conditions
 - Identify State IWM investment principles and priorities
 - Recommend innovative, stable, equitable and fiscally disciplined financial strategies and revenue sources

Volume 1 – Strategic Plan

- Chapter 1 – Planning for Environmental, Economic and Social Prosperity
- Chapter 2 – California Water Today
- Chapter 3 – Imperative to Invest in Innovation and Infrastructure
- Chapter 4 – Companion Plans
- Chapter 5 – Managing an Uncertain Future
- Chapter 6 – Integrated Data and Analysis
- Chapter 7 – Finance Planning Framework
- Chapter 8 – Implementation Plan

Chapter 1 – A Call For Action

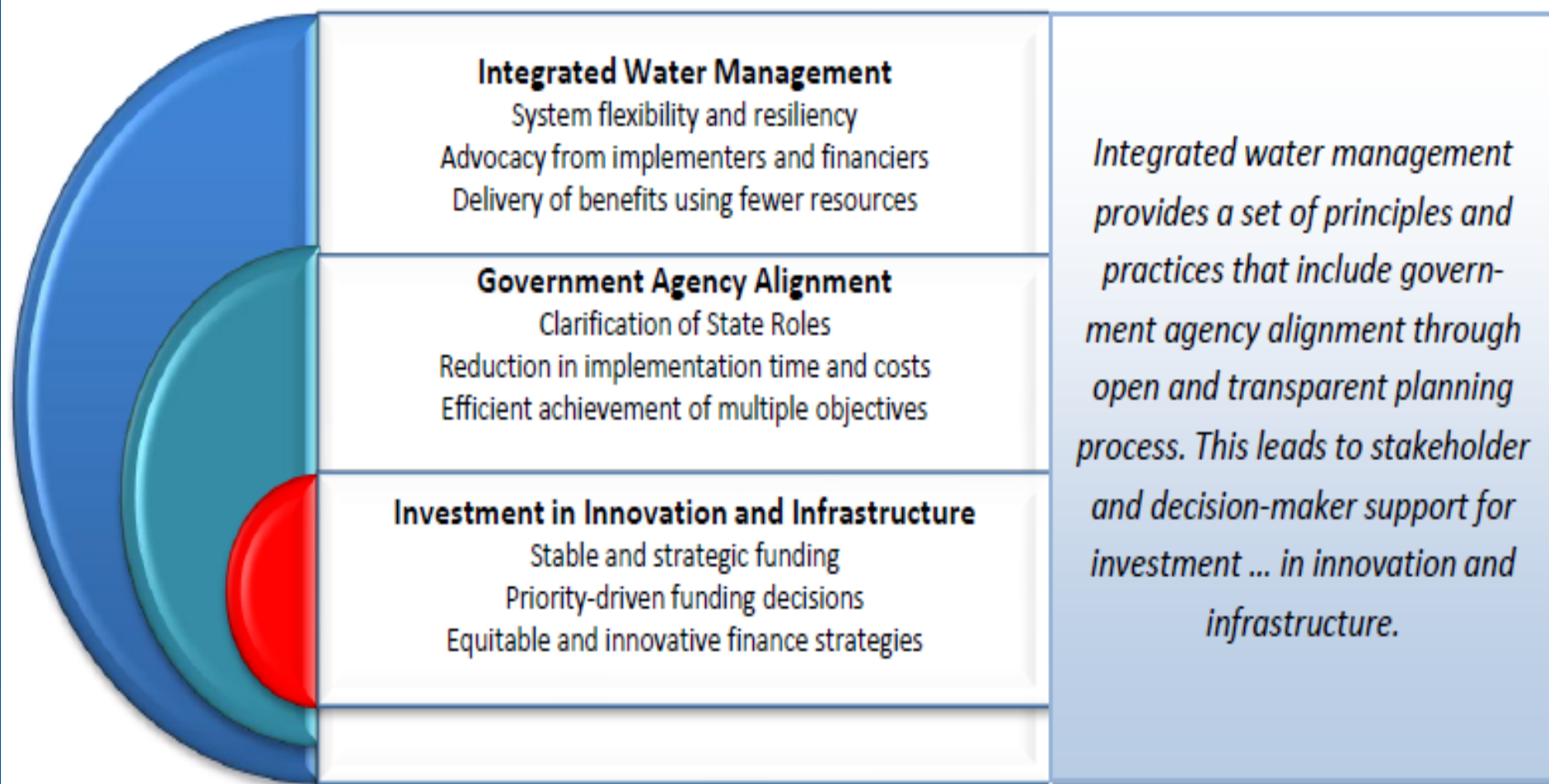
- California faces unacceptable risks from flooding, unreliable water supplies, and habitat and species declines
- Stakes are tremendously high and every Californian has a stake

Chapter 1 – A Call for Action

- California must make its economy -- business and finance -- more stable with a higher degree of certainty that natural resources will be sustained over the long term, flood damages will be averted, water supplies will be reliable and predictable, and recreational opportunities will be improved.

Chapter 1 - Update 2013 Themes

Figure 1-1 Themes of California Water Plan Update 2013

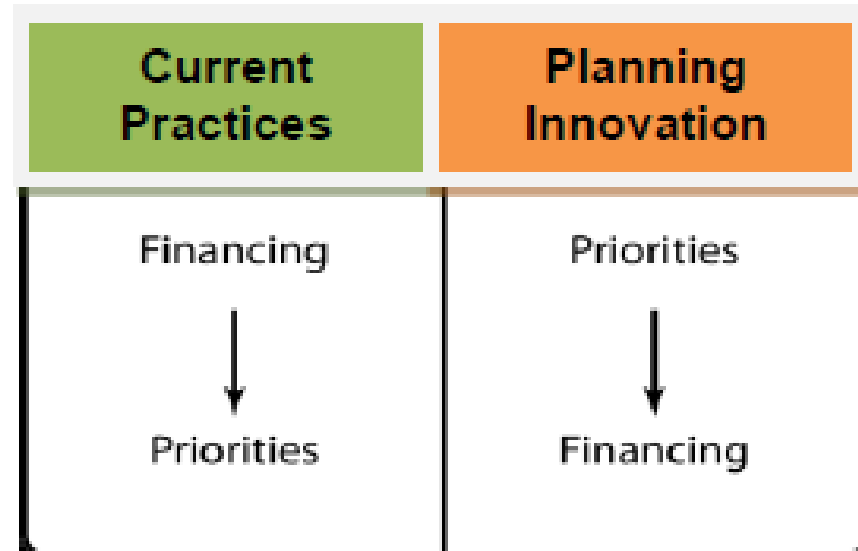


Chapter 1 - Key Messages

(Partial list)

- Stable, priority-driven funding sources are essential to successful integrated water management

Figure 1-2 Priority-Driven Financing



Chapter 2 - Outline

(Partial list)

- Planning For Stability Amid Extreme Diversity and Variability
- Land Use and Development Patterns
- Water Conditions
- IWM Funding and Expenditures
- Critical Challenges
- Responses and Opportunities

Chapter 3 - Outline

(Partial list)

- A Critical Time to Invest
- Fundamental Lessons
- Looking to the Future — The Roadmap
 - Vision, Mission, Goals, Guiding Principles, Objectives
- Role of State Government to enhance Integrated Water Management

Chapter 7 - Finance Planning Framework

Purpose

- Creates a common and comprehensive understanding of current [finance] conditions
- Provides a menu of available finance mechanisms; including trade-off descriptions
- Frames data, information and stakeholder input that supports finance recommendations

Chapter 7 - Finance Planning Framework Outline

1. Resource Management & Funding
1850 – Present
2. Total State & Federal IWM Expenditures in CA
1985 – 2010
3. State, Federal & Local Total IWM Expenditures
2000 – 2010
4. State Government Expenditures
2000 – 2010
5. G.O. Bond Funding & Debt Level

Chapter 7 - Finance Planning Framework Outline (continued)

- 6. Financing Mechanisms (Traditional & New)
- 7. Role of State Government
- 8. Finance Principles
- 9. State & Local Financing Options

Chapter 7 - Finance Planning Framework

Section by Section Review

Chapter 8 – Implementation Plan

- IWM Objectives (13 in Update 2009)
- Related Actions (115 in Update 2009)
- Broad range of specificity
- Most actions from companion State plans
- Adding finance objective (and related actions) for Update 2013

Chapter 8 – Implementation Plan

Sample objective from Update 2009

Objective 1 – Expand Integrated Regional Water Management

Promote, improve, and expand Integrated Regional Water Management to create and build on partnerships that are essential for California water resources planning, sustainable watershed and floodplain management, and increasing regional self-sufficiency.

Chapter 8 – Implementation Plan

Sample related action from Update 2009

Related Actions:

1. State government should encourage—through both financial and technical assistance—IRWM planning and implementation throughout California with greater emphasis on adapting to effects of changing climate including possible increases in drought frequency and duration and possible increases in flood events.
 - State government should promote and provide incentives to regional partnerships to move toward water and flood planning at a watershed-scale or IRWM plan-scale and to consider using watershed and groundwater basin boundaries when determining IRWM planning region boundaries.

Chapter 8 – Implementation Plan

Sample objective from Update 2009

Objective 5 – Expand Environmental Stewardship

Practice, promote, improve, and expand environmental stewardship to protect and enhance the environment by improving watershed, floodplain, and instream functions and to sustain water and flood management systems.

Chapter 8 – Implementation Plan

Sample related action from Update 2009

Related Actions:

1. State, federal, Tribal, regional and local governments and agencies that own and operate water management systems and flood management systems, as well as public and private organizations, should include actions in their respective land use, water, flood, and natural resource management plans that would contribute to a statewide goal to protect and re-establish native riparian floodplain corridor habitat by 2020. The combined and coordinated activities of local planning activities including Integrated Regional Water Management (IRWM), Urban Water Management Plans, Natural Community Conservation Plans, Habitat Conservation Plans as well as other water resource or riparian floodplain focused efforts should include objectives to meet these environmental stewardship goals.
 - By 2020, re-establish 1 million acres of contiguous natural riparian and floodplain habitat and its hydrologic connectivity between rivers/streams and their historical floodplains for at least 50 percent of the river miles in the regions.

Update 2013 Finance Planning Next Steps

- Water Plan Advisory Committee Meeting May 2
- Update 2013 Admin Draft to DWR executive management – May 2013
- Public Review Draft July 2013
- Release Final Water Plan Update March 2014